



# HORSESHOE METALS LIMITED

ASX ANNOUNCEMENT

3<sup>rd</sup> March 2022

## Horseshoe Lights Activities Update

- Horseshoe has commenced a number of activities to unlock the potential of the Horseshoe Lights Copper-Gold Project in the Bryah Basin of WA
- Horseshoe Lights Copper-Gold Project summary:
  - *Current in situ resource 128 kt Cu metal @ 1.0% (0.5% cut-off)*
  - *Current stockpile resource 9.5 kt Cu metal @ 0.57%*
  - *Extensive drilling (over 120km total) and metallurgical test work*
  - *Open pit only drilled to a depth of ~250m – proximal major deposits in Bryah Basin have been drilled to ~800-1000m*
  - *Horseshoe are targeting a Deep sulphide copper target – “Below the Dolerite” (BTD)*
- **2013 Resource model (JORC 2012) grade vs tonnage sensitivity being assessed - results expected next week**
- **Entech engaged to update 2014 Scoping Study in light of current significantly higher copper prices**
- **RC drilling to commence during March at Motters and Motters southern extension**
- **Drill planning for main orebody extensions underway, including the conceptual BTD target**
- **Discussions underway regarding possible offsite treatment of remnant gold stockpiles**

Horseshoe Metals Limited (ASX: HOR) (the ‘Company’) is pleased to provide an update on activities related to its Horseshoe Lights Copper-Gold project following the successful reinstatement to trading on the ASX on 18<sup>th</sup> February 2022.

The Horseshoe Lights Copper-Gold Project is the original Cu/Au VMS discovery in the Bryah Basin and is located approx. 60 km west of DeGrussa Copper Mine operated by Sandfire Resources (ASX: SFR). Past production from Horseshoe Lights includes around **316,000 oz Au & 55 kt Cu metal** in two phases of mining, and the deposit contains a current *in situ* resource **128 kt Cu metal @ 1.0% (0.5% cut-off) and 36,000 oz Au** (refer Table 1).

### 2013 Resource Model

The current JORC 2012 resource estimate was reported and classified at a cut-off grade of 0.5% Cu in June 2013 (refer ASX release dated 5 June 2013 and Quarterly Report released on 31 July 2013), although the model was developed using wireframe models using a cut-off grade of 0.18%. The prevailing AUD copper price at the time was about \$7500/t, compared with a current price of \$14,000/t.

#### BOARD OF DIRECTORS

Mr Craig Hall  
*Non-Executive Director*

Mr Alan Still  
*Non-Executive Director*

Ms Kate Stoney  
*Non-Executive Director,  
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Given the significant increase in Cu pricing an assessment of the model with respect to grade vs tonnage sensitivity is being undertaken and expected to be completed next week.

### **2014 Scoping Study**

Entech have been engaged to update their Scoping Study that was previously released to the market on the 19<sup>th</sup> December 2014, in light of vastly improved copper pricing outlined above. This information was previously released under an earlier edition of the VALMIN code, which was updated in 2015. The update is expected to be completed late March.

The Company intends updating inputs for the 2014 Scoping Study, primarily to assess the effects on and mineral values associated with the different resource types, grade cut-offs, and resource classifications, and their respective development streams. It is also anticipated that updated economics will highlight additional drilling requirements in certain areas, driven by new, deeper pit shells. The Company notes that while the deposit contains additional drilling post the 31 July 2013 announcement of the Horseshoe Lights in situ Resource, the existing resource estimate will be utilised for the update.

### **RC Drilling**

Phase 2 RC drilling is planned to commence during March, primarily targeting the Motters zone, following up significant shallow copper mineralisation highlighted in Phase 1 activities (refer ASX release dated 29 October 2021). The unmined southern extension of the Motters structure which is proximal to the eastern wall of the open pit will also be further assessed during this programme.

RC drill testing of dumps to the southwest and north of the pit will also be undertaken during this phase. Previous sporadic drilling has interested copper mineralisation in both locations.

### **Drill Planning**

Considerable exploration upside has been identified in the main orebody and its north-west extension beyond the existing open pit. The Company intends targeting high-grade extensions beneath the existing open pit, which has been typically drilled to a depth of around 250m depth, and not below 400m depth.

Other major mineral deposits in the Bryah Basin have been drilled to depths of at least 3-4 times in order to better assess the scope and potential of the mineralising system. Drill planning and geological modelling is underway to allow commencement of this drilling at the completion of the initial programme, in conjunction with planning for drilling associated with the 'Below the Dolerite' (BTD) target (refer p14, November 2021 Corporate Presentation).

### **Gold Stockpiles**

Discussions are underway regarding potential offsite treatment of gold stockpiles remaining from the gold mining activities in the 1980's. Further evaluation of these stockpiles may be required including auger drilling and/or RC drilling.

The Board of Directors of HOR has authorised this announcement to be given to the ASX.

### Enquiries

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### About Horseshoe Metals Limited

Horseshoe Metals Limited (ASX:HOR) is a copper and gold-focused Company with a package of tenements covering approximately 500km<sup>2</sup> in the highly prospective Peak Hill Mineral Field, located north of Meekatharra in Western Australia and mineral interests in South Australia. The Company manages the Horseshoe Lights Project and the Kumarina Project in Western Australia, and the Glenloth Gold Project in South Australia. The tenements immediately surrounding the Horseshoe Lights Copper-Gold Project are currently part of a Farm In/Joint Venture with Kopore Metals Limited (ASX:KMT) where KMT has recently completed minimum expenditure requirements for the first year of Farm In.

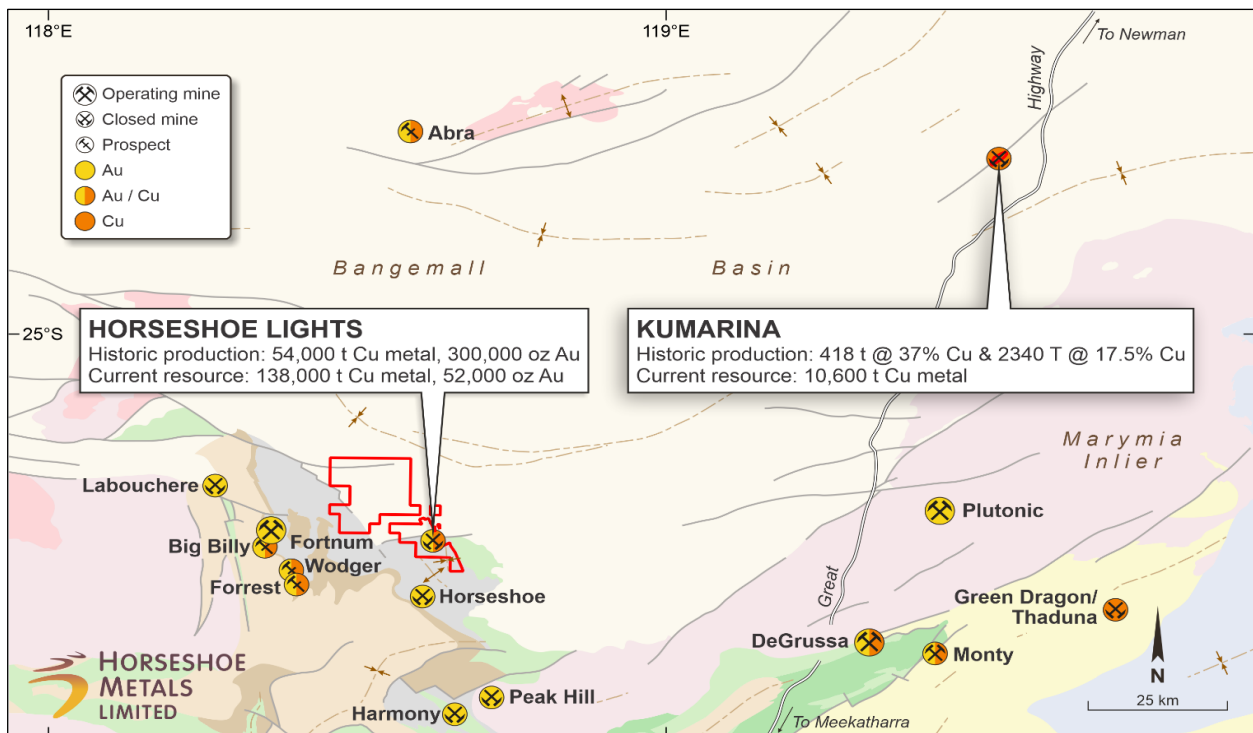


Figure 1: Location of Horseshoe Lights Copper-Gold Project and Kumarina Project in the Murchison, WA

### **About the Horseshoe Lights Project**

The Horseshoe Lights Project includes the historic open pit of the Horseshoe Lights copper-gold mine which operated up until 1994, producing over 300,000 ounces of gold and 54,000 tonnes of contained copper, including over 110,000 tonnes of Direct Shipping Ore (DSO) which graded between 20-30% copper.

The Horseshoe Lights ore body is interpreted as a deformed Volcanogenic Hosted Massive Sulphide (VMS) deposit that has undergone supergene alteration to generate the gold-enriched and copper-depleted cap that was the target of initial mining. The deposit is hosted by quartz-sericite and quartz-chlorite schists of the Lower Proterozoic Narracoota Formation.

Past mining was focused on the Main Zone, a series of lensoid ore zones, which passed with depth from a gold-rich oxide zone through zones of high-grade chalcocite mineralisation into massive pyrite-chalcopyrite. To the west and east of the Main Zone, copper mineralisation in the Northwest Stringer Zone and Motters Zone consists of veins and disseminations of chalcopyrite and pyrite and their upper oxide copper extensions. Table 1 summarises the total Mineral Resources for the Horseshoe Lights Project as at 31 December 2021.

<b>TABLE 1 HORSESHOE LIGHTS PROJECT SUMMARY OF MINERAL RESOURCES AS AT 31 December 2021</b>									
Location	Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (tonnes)	Au metal (oz)	Ag metal (k oz)	
<b>In-situ Deposit</b> (0.5% Cu cut-off grade)	<i>Measured</i>	1.73	1.04	0.0	0.5	18,000	1,900	28.8	
	<i>Indicated</i>	2.43	0.95	0.0	0.7	23,200	3,400	52.2	
	<i>Inferred</i>	8.69	1.01	0.1	2.6	87,400	30,700	712.4	
	<b>Total</b>	<b>12.85</b>	<b>1.00</b>	<b>0.1</b>	<b>1.9</b>	<b>128,600</b>	<b>36,000</b>	<b>793.4</b>	
<b>Flotation Tailings</b>	<b>Inferred</b>	<b>1.421</b>	<b>0.48</b>	<b>0.34</b>	<b>6.5</b>	<b>6,800</b>	<b>15,300</b>	<b>294.8</b>	
<b>M15 Stockpiles</b>	<b>Inferred</b>	<b>0.243</b>	<b>1.10</b>	<b>0.17</b>	<b>4.7</b>	<b>2,650</b>	<b>1,300</b>	<b>36.7</b>	
Note: At 0% Cu cut-off grade unless otherwise stated						<b>TOTAL</b>	<b>138,050</b>	<b>52,600</b>	<b>1,124.9</b>

The above Mineral Resource Estimates all meet the reporting requirements of the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

### **About the Kumarina Project**

The copper deposits at the Kumarina Project were discovered in 1913 and worked intermittently until 1973. The workings extend over nearly 5km as a series of pits, shafts and shallow open cuts. At the main Kumarina Copper Mine, the workings are entirely underground with drives from the main shaft extending for some 200m in the upper levels and for about 100m in the lower levels at a depth of 49m below surface.

Incomplete records post-1960s make it difficult to estimate the total copper production from the workings. However, indications are that the Kumarina Copper Mine was the second largest producer in the Bangemall Basin group of copper mines. Recorded production to the late 1960s is 481t of copper ore at a high-grade of 37.0% Cu and 2,340t at a grade of 17.51% Cu. An initial Mineral Resource Estimate for the Rinaldi deposit was completed by the Company in 2013 (see 30 June 2013 Quarterly Report announced on 31 July 2013). The total Measured, Indicated and Inferred Mineral Resource Estimate as at 31 December 2021 is shown in Table 2 below.

**TABLE 2**  
**KUMARINA PROJECT**  
**SUMMARY OF MINERAL RESOURCES**  
**AS AT 31 December 2021**

<b>Location</b>	<b>Category</b>	<b>Tonnes (t)</b>	<b>Cu (%)</b>	<b>Cu metal (tonnes)</b>
<b>Rinaldi Prospect</b> (0.5% Cu cut-off)	<i>Measured</i>	<i>415,000</i>	<i>1.46</i>	<i>6,100</i>
	<i>Indicated</i>	<i>307,000</i>	<i>1.16</i>	<i>3,500</i>
	<i>Inferred</i>	<i>114,000</i>	<i>0.9</i>	<i>1,000</i>
	<b>Total</b>	<b>835,000</b>	<b>1.3</b>	<b>10,600</b>

The Mineral Resource Estimate meets the reporting requirements of the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"

### **Forward Looking Statements**

Horseshoe Metals Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Horseshoe Metals Limited, its directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it. This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward-looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

### **Competent Persons Statement**

The information in this report that relates to the Exploration Results and Mineral Resources at the Horseshoe Lights and Kumarina Projects is based on information reviewed by Mr Craig Hall, who is a member of the Australian Institute of Geoscientists. Mr Hall is a contractor to Horseshoe Metals Limited and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. Mr Hall consents to the inclusion of the data in the form and context in which it appears.

The information in this report that relates to the Horseshoe Lights Project In-situ Mineral Resources is based on information originally compiled by Mr Dmitry Pertel, an employee of CSA Global Pty Ltd, and reviewed by Mr Hall. This information was originally issued in the Company's ASX announcement "40% increase in Copper Resource at Horseshoe Lights Copper/Gold Project", released to the ASX on 5 June 2013, and first disclosed under the JORC Code 2004. This information was subsequently disclosed under the JORC Code 2012 in the Company's ASX release "Quarterly Report Period Ended 30 June 2013", released on 31 July 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

The information in this report that relates to the Horseshoe Lights Project surface stockpile Mineral Resources is based on information compiled by a previous employee of Horseshoe Metals Limited and reviewed by Mr Hall. The information was previously issued in announcements released to the ASX on 26 February 2015 and 9 March 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

The information in this report that relates to the Kumarina Project (Rinaldi Prospect) Mineral Resources is based on information compiled by or under the supervision of Mr Robert Spiers, an independent consultant to Horseshoe Metals Limited and a then full-time employee and Director of H&S Consultants Pty Ltd (formerly Hellman & Schofield Pty Ltd), and reviewed by Mr Hall. The information was originally issued in the Company's ASX announcement "Horseshoe releases Maiden Mineral Resource Estimate for Kumarina", released to the ASX on 4 March 2013, and first disclosed under the JORC Code 2004. This information was subsequently disclosed under the JORC Code 2012 in the Company's ASX release "Quarterly Report Period Ended 30 June 2013", released on 31 July 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.